

# Budget Worksession

<b>Agenda Item #</b>	1
<b>Meeting Date</b>	6 May 2004
<b>Prepared By</b>	Sara Anne Daines Ellen Arnold-Robbins Wayne Hobbs
<b>Approved By</b>	Richard M. Finn City Manager

<b>Discussion Item</b>	Presentation of Potential Savings and Corresponding Reductions in Services Housing & Community Development (HCD), Library, General Government & Non-Departmental
<b>Background</b>	City departments have been tasked with reviewing their budgets to propose reductions in services which would result in potential savings. Housing and Community Development, Library, General Government, and Non-Departmental will be presented on May 10.
<b>Policy</b>	N/A
<b>Fiscal Impact</b>	See attached for potential savings.
<b>Attachments</b>	Potential Savings Reductions:  Housing and Community Development Library General Government Non-Departmental
<b>Recommendation</b>	For discussion purposes only.
<b>Special Consideration</b>	

## HOUSING AND ECONOMIC DEVELOPMENT

### Potential Savings and Reductions in Services

April 2004

The following is offered as examples of potential savings that could be implemented in the Housing and Economic Development Department's FY05 budget if specific services, programs or projects were eliminated or the means by which they are made available to the public were modified. Because many of the services we provide are not considered essential services or basic functions, we have included in our listing, the elimination of services that are duplicative of those offered by Montgomery County. If approved, the Council may be required to terminate ongoing agreements with the Montgomery County Park and Planning Commission or to remove from the City Code certain ordinances which would prevent the transfer of authority to Montgomery County. We have also included in our listing, potential revenue sources, specifically increased fees or new fees for existing services.

These proposals are offered merely as options that could be taken by the Council to reduce its financial obligations or to increase revenues and should not be interpreted as recommendations of the Department. Please note that anticipated savings are largely personnel expenses and are offered as estimates only.

Potential Service Reductions	Effects of Proposal	Estimated Savings
Modification of seminar format for Landlord Certification program to include just training videos developed by HCD, eliminating staff presentations and Q&A session.	Reduction in effectiveness of the certification process, eliminating opportunity for staff and landlords/agents to interact and to address specific issues identified during the Q&A session.	FY05 Budget: \$8,700 FTE Impact: .10
Elimination of seminar option for Landlord Certification requirement, limiting landlords and agents options for certification to the written exam.	Reduction in effectiveness of certification process, preventing a small percentage of landlords/agents from becoming licensed because of an inability to pass the written exam.	FY05 Budget: \$9,300 FTE Impact: .13
Elimination of Landlord Certification Requirement.	Reduction in staff's ability to clarify sections of the Housing Code and to address issues or trends as they become evident.	FY05 Budget: \$12,300 FTE Impact: .18

Elimination of pending Commercial Licensing program	Commercial properties are currently inspected on a complaint basis due to unanticipated delays in the implementation of the licensing program. Elimination of program would hamper staff's ability to address Council's concerns regarding the exterior appearance of commercial properties throughout the community though properties would continue to be inspected on a case by case basis as complaints were filed.	FY05 Budget: \$24,000* FTE Impact: .30  * Corresponding loss of revenues from license fees
Transfer of Rental Housing licensing and inspection program to Montgomery County  Service provided by County No rebate	Loss of local control over the licensing requirements and maintenance standards. Would require amendment of the City Code and acceptance of by Montgomery County.	FY05 Budget: \$178,100* FTE Impact: .40  * Corresponding loss of revenues from license fees
Elimination of Emergency Services - temporary storage - provided to displaced residents	Potential loss of personal belongings of residents unable to temporarily store their belongings until alternative housing can be secured	FY05 Budget: \$1,000 FTE Impact: NA
Elimination of Credit Check Service  Service provided by County No rebate	Reduction in service levels provided to local landlords and agents seeking assistance in screening potential tenants.	FY Budget: \$500 FTE Impact: NA
Reduce hours of operation of Landlord Tenant Affairs Office.	Reduction of services provided to landlords and tenants.	FY05 Budget: \$12,200 FTE Impact: .50

Elimination of printed version of the landlord tenant handbook. Current handbook must be revised to reflect recent amendments to Chapter 6 Housing Code.	Handbook would be available on-line only with hard copy eliminated reducing anticipated printing costs. Would effectively restrict access to the information as not all tenants and landlords have access to the internet.	FY05 Budget: \$4,000 FTE Impact: NA
Reduce level of monitoring of annual rent reports, randomly selecting, for example 50% of the reports submitted, rather than 100% as is currently the practice, for compliance with requirements of the rent stabilization ordinance.	Would increase burden on tenants to monitor landlord's compliance with the ordinance and to report any apparent violations.	FY05 Budget: \$19,400 FTE Impact: .30
Transfer of functions of the Landlord Tenant Office and the Commission on Landlord Tenant Affairs (COLTA) to Montgomery County.  Landlord Tenant and COLTA services provided by County No rebate	Significant impact including but not limited to loss of local control over the mediation and resolution of landlord-tenant disputes, lengthy delays in the resolution of disputes to be heard by the County (up to one year), and significant increases in local rent levels.  Would require possible revocation of significant sections of the Housing Code (Landlord Tenant, COLTA, and Rent Stabilization) and acceptance of the proposal by Montgomery County.	FY05 Budget: \$195,700* FTE Impact: 2.4  *excluding legal fees incurred for COLTA  FY04 expenses to date (July '03 thru March '04)  COLTA - \$28,262 Appeals - \$15,675
Reduction in staffing for development and implementation of pedestrian safety proposals.  Service provided by County No rebate	Traffic calming and other pedestrian safety requests would be addressed directly by the Council. Planned pedestrian safety projects would not be implemented.	FY05 Budget: \$19,600 FTE Impact: .25

Reduction in staffing for coordination of transportation and transit projects and requests.	Residents would be required to contact these agencies directly. Council would be limited in its ability to work pro-actively with the identified agencies. Potential problems would include delays in maintenance of State roadways and equipment, continued traffic congestion, and the introduction of transit vehicles which do not address the concerns of the community.	FY05 Budget: \$27,000 FTE Impact: .35
Transfer of all development review responsibilities to Montgomery County Park and Planning Commission.  Service provided by County No rebate	City's ability to influence site plans would be significantly limited. Internal coordination of projects subject to local ordinances would be hampered by discontinuation of the Development Review Committee.	FY05 Budget: \$21,200 FTE Impact: .27
Discontinue sponsorship of the Takoma Park Business Directory and Survival Guide.	Restrict efforts to educate the community on the services and programming offered by the City. Adverse impact on the Takoma Park Cooperative Nursery School's fund raising program.	FY05 Budget: \$8,000 FTE Impact: NA
Discontinue practice of staff attendance at monthly business association meetings: Takoma Langley Crossroads CDA and Old Takoma Business Association.	Lack of shared information on projects of mutual interest and concern. Loss of technical assistance currently provided by staff.	FY05 Budget: \$7,800 FTE Impact: .10

Eliminate staff support of the following commissions and boards: Arts and Humanities Commission, Facade Advisory Board and Safe Roadways Committee.	Limit groups ability to perform in accordance with enabling ordinance and to responsively address Council priorities.	FY05 Budget: \$20,768 FTE Impact: .22
Discontinue practice of staff attendance at neighborhood and community association meetings	Lack of shared information on projects of mutual interest and concern.	FY05 Budget: \$5,000 FTE Impact: .04
Eliminate efforts to market the Enterprise Zone to local businesses, placing sole responsibility for this effort on Montgomery County	Potential loss of economic development projects due to a lack of information about the benefits of the program.	FY05 Budget: \$19,600 FTE Impact: .25
Reduce level of GIS support provided to other Departments	Increased reliance on outside vendors and/or use of outdated and inappropriate data	FY05 Budget: \$4,000 FTE Impact: .05
Limit publicity of the availability of CDBG funds for community projects to the City's web site and listservs	Would not provide adequate notice to potentially qualified entities that do not have email or access to the internet or are not included on any listserv.	FY05 Budget: \$2,000 FTE Impact: NA
Transfer of responsibility for the allocation, distribution and monitoring of all CDBG funds to Montgomery County	Limit local access to and control over funds for projects which benefit low and moderate income residents and neighborhoods.  Staffing costs represent 12% of grant award (\$167,000)	FY05 Budget: \$19,900 FTE Impact: .25
Transfer all POS funds to Montgomery County for allocation, distribution and monitoring	Limit access to and control of funds for locally initiated recreational projects.  Staffing costs represent 35% of grant award (\$40,000+/-)	FY05 Budget: \$14,339 FTE Impact: .20

Discontinue subscriptions to grants finder services	Limit city's ability to identify and secure grant funds from nontraditional sources.	FY05 Budget: \$ 7,000 FTE Impact: NA
Discontinue sponsorship and involvement in Montgomery County Housing Fair. Do not host planned home ownership and maintenance workshop	Restrict community's access to information on affordable housing opportunities. Adverse impact on staff relationships with outside housing agencies.	FY05 Budget: \$5,000 FTE Impact: .10
Discontinue new Capacity Building program	Efforts to advise tenants of opportunities to purchase under the local ordinance would be limited to occasional flyer and periodic informational meetings conducted by Staff. Organizational aspects of the program would be discontinued.	FY05 Budget: \$38,684 FTE Impact: .10

Potential Revenue Sources	Effects of Proposal	Estimated Revenues
Streamlining of inspection process, eliminating notification of property owners of outstanding violations prior to the issuance of a municipal infraction citation	Would eliminate property owner's opportunity to address identified maintenance code violations prior to the issuance of a fine. While not specifically required in the ordinance, the notification process has been adopted by other inspection entities and is viewed as a positive means of correcting violations before they are brought to court.	Estimated Revenue: \$200 per violation
Increase rental housing license fees	<p>Would keep Takoma Park's per unit rental housing license fees in line with those of surrounding communities:</p> <p>Takoma Park: \$78  Montgomery County: \$38-\$95  Rockville: \$50-\$150  College Park: \$100 - \$200</p>	Estimated Revenue: \$22 per licensed unit
Establish fee to cover cost of processing of Hardship and Capital Improvement Petitions	Additional cost of fee would be passed on to tenants affected by the petition.	Estimated Revenue: \$90 per rental unit
Increase fine for property maintenance violations	Current fine for a Class A infraction is \$200.	Estimated Revenue: \$100-\$300 per fine
Request reimbursement for costs of administering the Community Development Block Grant Program	Use of CDBG funds for administrative and planning purposes is a permitted expenditure. Up to 10% may be used for this purpose but would reduce the funding available for capital improvement projects or approved community service initiatives.	Estimated Revenue: \$16,700



## LIBRARY - SERVICES

Potential Service Reductions	Effects	Savings
Eliminate 10 staff hours	Library service hours reduced by 5/week. Open 12-6 on Thurs. Instead of 10-9. Those most affected by reduction in week-day daylight hrs. would be retired, elderly & people caring for small children. Those most affected by loss of 1 evening would be people who work full-time.	\$10,966
Reduce "Temporary Assistance" budget by 25%	Inevitable: Overall slow-down of off-desk operations, as permanent staff would work more of their hours on the 'desk'. Would increase turn-around time for new books & magazine issues to be on shelf, extend time needed for fulfilling reserves, mending, processing, etc. Would impact staff availability for training, meetings, interdepartmental efforts. Possible: Fewer programs, closing more hours.	\$10,000
Reduce purchase of adult circulating books by 25% & children's circulating books by 20%	Fewer new & replacement books purchased for Library patrons. Because we purchase mostly single copies, some important & popular works would never be acquired, resulting in permanent collection gaps. Readers & regular borrowers impacted by fewer new books, updates & replacements. Patrons who don't drive & for whom this is closest library would be most impacted.	\$13,000
Reduce purchase of reference materials by 20%	Fewer new & up-to-date research materials available to patrons. Some updates of standard works & new tools could not be purchased, resulting in permanently stunted reference collection.	\$4,100
<b>TOTAL</b>		<b>\$38,066</b>

## General Government Potential Service Reductions

Potential Service Reduction	Impact	Savings
Reduce welcoming and reception function by eliminating the “Welcome Desk”.	Loss of Reception/Information Desk to assist visitors to the Government Offices located in the Municipal Building. There will also be a loss in clerical support for the City Managers Office. The incumbent spends about 25 % of her time performing necessary clerical duties. These duties would have to be absorbed by other staff who already have a full load of work. This action would result in elimination of the Receptionist position and possible layoff of the incumbent. Since the position is a Union position a layoff would have to be handled according to the Collective Bargaining Agreement with AFSCME.	\$46,729
Discontinue centralized procurement efforts.	Eliminate efforts to centralize procurement and the efficiencies and monetary savings realized by centralization. This action would result in elimination of the Procurement Officer position and possible layoff of the incumbent. Since the position is a Union position a layoff would have to be handled according to the Collective Bargaining Agreement with AFSCME. Any savings would be short term and would be offset by departments being required to assume procurement actions which also increases the risk of errors.	\$64,244
Modify lobbying efforts and liaison with County and State functions.	Hire a Public Relations Specialist in the Communications Office to assume this function and eliminate the Government Liaison position. This would result in a critical loss of experience and necessitate reestablishing key relationships with County, State and Federal Government Agencies. Further the loss of this position would result in loss of skills in Development Review and support for Council in preparation of testimony and talking points on critical issues that require Councilmembers’ testimony at County and State hearings.	\$50,000

### Non-Department Potential Service Reductions

Potential Service Reduction	Impact	Savings
Eliminate contributions to festivals, commissions and committees.	These various activities would lose a source of income which they depend on to carry out their various functions and activities.	<p>\$25,250:</p> <p>Community Festivals - \$7,000</p> <p>July 4<sup>th</sup> Celebration \$8,250;</p> <p>Public safety Committee \$5,000;</p> <p>Arts Commission \$5,000.</p>
Eliminate the Homeowner Property Tax Rebate.	<p>Homeowner Property Tax Rebate</p> <p>During FY 92, the Council adopted an ordinance authorizing the equivalent of a 15% property tax credit as a supplement to the State Tax Credit program. Homeowners eligible for the State tax credit, (per the Department of State Assessment and Taxation tax credit records) receive from the City, in addition to their State credit, 15% of the State's credit amount, up to a maximum of the combined City and County taxes. For FY 05, \$25,000 is projected to cover the rebates to eligible homeowners. In FY 2003, 128 residents received Tax Rebates amounting to \$24,003.96, an average of \$187.53 per recipient. For FY 04, information is not yet available. We know that so far 111 persons have applied. The impact of eliminating this program is loss of revenue to approximately 128 residents and resulting bad public relations.</p>	\$25,000